



## WISCONSIN EXAM PERFORMANCE

Wisconsin CPA examination candidates continue to compare favorably with candidates from other states. For 1996, Wisconsin was named an "Honor Roll State" for both the May and November examinations. States are named to this honor roll by the National Association of State Boards of Accountancy (NASBA) when their candidates achieve passing grades on all parts of the examination at a rate which is higher than the national average. There were 13 states on the honor roll for the May, 1996, examination and 14 states on the honor roll for the November, 1996, examination. Wisconsin also ranked first in the percentage of first time candidates passing all parts of the examination in November, 1996, (35%) and was 10th for the May 1996 examination (20.8%).

## THE WISCONSIN ACCOUNTING EXAMINING BOARD

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## NASBA CPA Candidate Performance Results

The National Association of State Boards of Accountancy (NASBA) gathered data on CPA exam candidates since 1982 and began publishing reports on performance and selected characteristics in 1985. NASBA is able to offer this report only through the voluntary participation of individual boards of accountancy and the cooperation of the AICPA, which prepares and grades the Uniform CPA examination for the, 54 U.S. jurisdictions. To participate in the study, a board of accountancy distributes a questionnaire to each examination candidate requesting biographic and demographic information. Completed questionnaires are sent by the boards to NASBA at the conclusion of each May and November examination. Candidate information is entered into a computer system and matched against examination grades to generate statistical reports of performance. The identities and grades of individual candidates are kept confidential. National passing percentages by subject and overall are summarized in the following table:

NATIONAL PASSING PERCENTAGES BY SUBJECT AND OVERALL						
	1st Time Candidates		Repeat Candidates		All Candidates	
Exam Areas	5/96	11/96	5/96	11/96	5/96	11/96
Auditing	29.5	31.0	30.7	33.4	30.2	32.3
Bus. Law	31.1	31.9	31.2	37.8	31.2	35.1
Finan. Accting	30.8	32.3	29.9	34.3	30.3	33.4
Accting/Reporting	29.8	29.5	30.1	33.5	30	31.7
All Subjects Taken	15.5	16.3	28.1	30.6	23.9	25.3
Some Subjects	30.7	30.4	26.7	28.9	28.1	29.5

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## CPA EXAM ELIGIBILITY CLARIFICATION - COMMENTS SOUGHT

Accy 3.05 (1)(b)(2) & (3), Wis. Admin. Code currently provide that a person otherwise meeting the requirements to sit for the CPA exam, can sit for the exam if their college or university verifies that this person is expected to graduate within 45 days following the exam date. The Accounting Board has observed that the 45-day requirement can cause problems when graduation occurs a few days later than 45 days due to school calendars. Thus, the board is considering revising the rule to substitute 60 days instead of 45 days.

Those persons graduating after the year 2000 will not be eligible to sit for the CPA examination unless they have completed 150 hours of college education.

Questions have been raised about those persons graduating before 2001 who have not passed any or all parts of the CPA examination before 2001.

The Accounting Examining Board is in the process of promulgating rules in this area. It is the present intent of the Board to consider a 'grandfather' clause that would apply to those persons graduating before 2001 and meeting the current education requirements. Those persons would be eligible to sit for the CPA exam, any or all parts, even after the year 2000.

Comments on both of these issues are welcome.

### NEW BOARD MEMBER PROFILES

Governor Thompson has appointed the following new members to the Accounting Examining Board:

**David A. Benner, CPA**, Milwaukee, retired as a tax partner in the Milwaukee office of Price Waterhouse LLP. He holds both a BBA degree in Accounting and JD-Law degree from the University of Michigan. He has extensive experience with taxation matters. Dave has been active in many professional organizations including the Governor's Blue Ribbon Commission on Jobs in the 21st Century, the Independent Business Association of Wisconsin as Director and President-Elect, WICPA also serving as President and Director, the Milwaukee Tax Club, Estate Counselors Forum and Milwaukee Estate Planning Council, Past Director.

**Frederick W. Franklin, CPA**, Milwaukee, holds a bachelors in Business Administration from Southern Illinois University, a masters in

Management from Cardinal Stritch College and an accounting equivalent from the UW system. He received his CPA license in 1996. He currently works as Manager of Planning and Advisory Services for the Milwaukee Insurance Group. Mr. Franklin has also worked for Redlin, Brown and Co., CPAs and for the Xerox Corporation. He is actively involved in the community working as an advisor and mentor for the Inroads and Milwaukee Accords programs. He was voted Business Advisory of the Year, 1996.

**Roman M. Jungers II**, Waupaca, joins the board as a public member after serving 8 years on the Funeral Directors Examining Board as chair and professional board member. Mr. Jungers is President of A. J. Holly & Sons, Ltd. holding funeral homes in Waupaca, Wild Rose, Amherst, Poy Sippi and Almond. "Romy" is active in his community serving on the Board of Directors of the First National Bank of Waupaca, on the Waupaca Volunteer Fire Department along with other civic and church organizations. He graduated from the Wisconsin Institute of Mortuary Science.

**Roberta (Bobbette) P. Overby**, Chetek, brings experience as a public board member, having served 8 years as a public member of the Board of Nursing. Ms. Overby is employed by the Chetek Area Schools as a substitute teacher and teaching homebound students. She received her Elementary Education degree from UW-Eau Claire and has also been a real estate broker and insurance salesperson.

### STATUTE AND CODE CHANGES

#### ACCY 7.035, Wis. Admin. Code CREATED

Effective December 1, 1997, a new rule of the Accounting Examining Board addresses the requirement in s. 442.04 (4), Stats., as amended by 1995 Wisconsin Act 333, that after December 31, 2000, a person may not take the examination leading to the certificate to practice as a certified public accountant unless the person has completed at least 150 semester hours of education with an accounting concentration at a recognized institution, and has received a bachelor's or higher degree with an accounting concentration. If a person has a bachelor's or higher degree from an institution, but the degree does not consist of an accounting concentration, the law authorizes the board to review the person's educational experience to determine whether the education constitutes the "reasonable equivalence" of an accounting

concentration, thereby permitting the person to take the examination.

Accordingly, the new rule defines the educational prerequisites for taking the examination which will be deemed to constitute an "accounting concentration" and its "reasonable equivalence."

In adopting the rules, the board had three primary goals:

- (1) To structure the rules in a fashion assuring that currently accepted programs provided by state educational institutions continue to be accepted once they have implemented coursework meeting the 150 hour requirement.
- (2) To set forth the generally accepted minimal coursework recognized within the profession as needed to prepare an individual to provide competent CPA services, while retaining flexibility for the schools to present courses serving the needs of CPA candidates as the requirements of the profession evolve.
- (3) To develop criteria which will enable and assure capability of movement of CPAs to and from this state through reciprocity.

These goals are addressed through the adoption of rule provisions substantially based upon model language developed jointly by the American Institute of Certified Public Accountants (AICPA), which is the national professional association of CPAs, and the National Association of State Boards of Accountancy (NASBA), which is an organization of the 54 licensing and regulatory boards of accountancy in each state and U.S. territory. AICPA and NASBA developed the model in light of the fact that several states, including Wisconsin, have now enacted laws establishing the 150 hours of education requirement. Several neighboring states have already adopted 150-hour provisions substantially based upon the AICPA/NASBA model.

The rules set forth accepted minimum core content for educational programs leading to becoming a CPA. They include coursework in financial accounting, auditing, taxation, and management accounting. The rule recognizes that it is the content of the coursework completed by an examination candidate that is primarily determinative of educational qualification, rather than the name or nature of the actual degree conferred. Accordingly, the proposed rule recognizes programs that confer graduate degrees in accounting and from business schools, baccalaureate degrees with majors in accounting from business schools, and other non-accounting or non-business baccalaureate or higher degrees as meeting the

educational prerequisite, as long as they provide a 150-hour program containing the core course content.

#### TEXT OF RULE

**Accy 7.035, WIS. ADMIN. CODE, EDUCATION REQUIREMENT EFFECTIVE JANUARY 1, 2001.** Pursuant to s. 442.04(4), Stats., after December 31, 2000, a person may not take the examination leading to the certificate to practice as a certified public accountant unless the person has, as part of the 150 hours education, met one of the following four conditions:

(1) Earned a graduate degree with a concentration in accounting from an accounting program or department that is accredited by an accrediting agency recognized by the board.

(2) Earned a graduate degree from a business school or college of business that is accredited by an accrediting agency recognized by the board and completed at least 24 semester hours in accounting at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(3) Earned a baccalaureate degree with a major in accounting from a business school or college of business that is accredited by an accrediting agency recognized by the board including all of the following:

(a) At least 24 semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

(4) Having obtained the reasonable equivalent of an accounting concentration by having earned a baccalaureate or higher degree from an accredited educational institution including all of the following:

(a) At least 24 semester hours of accounting, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting.

(b) At least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level.

NOTE: In accounting, the courses covering the subjects of financial accounting, auditing, taxation, and management accounting under s. Accy 7.035 (3) (a) and (4) (a), would normally be all courses taken beyond the introduction level.

#### DISCIPLINE

**GERALD W. KRUEGER      Winneconne, WI  
VOLUNTARY SURRENDER**

Convicted of three counts of felony theft. Effective 6/20/97.

Department of Regulation and  
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P.O. Box 8935  
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## REGULATORY DIGEST

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### New Telephone System

The Division of Business Licensure & Regulation has installed a new menu telephone system which is designed to more efficiently direct the caller to the appropriate section. It has had some "bugs" and we apologize for that; however, we will keep fine-tuning it so that you will receive good service. The new telephone number for staff is:

**(608) 266-5511**

After dialing this number you are asked to press 1, 2, 3 or 4. For the following requests, please press numbers as noted:

Applications Processing	Ext. 43
Education	Ext. 21
Name/Address Changes	Ext. 21
Practice Questions	Ext. 32
Complaint Forms	Ext. 12

### ACCOUNTING BOARD MEETING DATES

1998: March 20 Strategic Planning; May 8; August 14;

October 2; December 4

### UPCOMING EXAM DATE

5/6-7/98 - Deadline: 3/6/98

1114-5/98 - Deadline 9/4/98

### WISCONSIN STATUTES

#### AND ADMINISTRATIVE CODE

Copies of the Accounting Examining Board statutes and administrative code can be ordered through the Board Office. Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. A revised statute and codebook is now available, dated June, 1997.

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